

Mrs. SULLIVAN. And now, we have one other witness who is scheduled to be heard this morning, Mr. Louis Rothschild, executive director of the Menswear Retailers of America.

If you would like to be heard now until the bells ring calling us to the House floor, we would be happy to have you testify at this time. Otherwise, I am willing to come back at 9:30 in the morning instead of 10, so that you could be heard then.

Mr. ROTHSCHILD. If the chairman would be kind enough I would appreciate the opportunity to appear at 9:30 tomorrow morning or whatever time suits the chairman.

Mrs. SULLIVAN. We have other witnesses scheduled this afternoon and they are all from out of town, so if you can come tomorrow morning early, it would be better.

Mr. ROTHSCHILD. Fortunately I am in Washington and I can meet at your convenience.

Mrs. SULLIVAN. If you will appear tomorrow morning at 9:30 I will try to have as many members as possible join me then in hearing your statement. In the meantime, we will now recess until 2 o'clock this afternoon.

(Whereupon, at 12:25 p.m., the committee recessed, to reconvene at 2 p.m., the same day.)

AFTERNOON SESSION

Present: Representatives Sullivan (presiding), Bingham, Dwyer, Wylie, and Williams.

Mrs. SULLIVAN. The subcommittee will come to order.

Will effective truth-in-lending legislation—a law which covers all types of consumer credit transactions—destroy American business or seriously interfere with the free-enterprise system? What happens when customers learn the truth about the interest rates or service charges they are asked to pay for credit? Do they stop buying or borrowing? Do they begin calling legitimate businessmen and bankers crooks and highways robbers? Is business forced to such redtape and regimentation that profits disappear and businesses have to close their doors, or hire armies of bookkeepers and mathematicians to make impossible calculations?

These are some of the questions which have been posed so far in our hearings on consumer credit legislation. This afternoon, we have a chance to obtain some authoritative answers to these hypothetical questions, because in the Commonwealth of Massachusetts the questions are no longer hypothetical and the answers are becoming available on the basis of—not conjecture and guess but—actual experience.

We are privileged to have with us two officials of the Commonwealth of Massachusetts directly connected with the administration and concept of the Nation's first broadly based truth-in-lending statute, Dr. Edward R. Willett, chairman of the Department of Finance and Insurance of Northeastern University at Boston who serves as chairman of the State's statutory consumers council; and the Honorable Robert L. Meade, assistant attorney general of Massachusetts and chief of the consumer protection division in the attorney general's office. They are here to tell us how the two major laws recently enacted